

Economic Services Division

Committee on China

(Minutes of the Thirteenth Meeting -- 1315 hours, 16 December 1954)

25X1A9a

Present:

25X1X7 Guests: Mr. [REDACTED], guest

25X1A9a [REDACTED] described the procedure and substance of the meet-

25X1X7 ings [REDACTED] on the Sino-Soviet Trade paper, pointing out the general agreement and approval which the paper received. The major points of disagreement were over the prices selected to present the terms of trade analysis and the size of the credits granted by the USSR to China. The conclusion of the paper to the effect that Western trade controls have not played a major role in determining the pattern of China's trade or the speed of her industrial development was discussed. Mr. [REDACTED] felt that there are 25X1A9a certain industrial goods, such as transportation equipment, which China could not get from the Soviet Union that could be bought from the West if the opportunity offered. Mr. [REDACTED] suggested that 25X1A9a copper wire was in the same category. Mr. [REDACTED] asked if [REDACTED] had 25X1X7 any reservations about the section on China's ability to pay. Mr. 25X1A9a [REDACTED] pointed out that this was one of two major subjects to which 25X1X7 the [REDACTED] research will be addressed, the other being the related one of China's economic growth potential.

25X1X7 [REDACTED] brought up several items of interest:

1. The Sino-Burmese agreements announced at the conclusion of Premier U Nu's visit to Peking. Of particular interest are the proposed Sino-Burmese Air Service and the provision for discussions to settle boundary disputes.

25X1X7 2. A lengthy interrogation report of a White Russian refugee 25X1X7 who gives evidence of a considerable knowledge of the Chinese foreign language press service. Of particular interest is the interrogator's statement that a Soviet adviser exercises a very strict censorship over this service-- to the extent that Chinese official speeches are sent back for revision to accord with the Moscow line. Mr. [REDACTED] indicated that [REDACTED] on the basis of previous information believes there has been a tightening of Chinese censorship procedures in recent months.

25X1A9a Mr. [REDACTED] said that estimates on the Chinese freight car park appear to be too low in view of recent evidence. He feels that the figure of 72,000 published in the Hong Kong booklet, Problems of

Red China, may be fairly correct, and, if so, present estimates by the intelligence community will have to be substantially increased.

25X1A9a Mention was made of some recent films on China taken by a Canadian newspaperman. Mr. [REDACTED] will check with St/I as to the possibility of arranging a showing.

25X1A9a [REDACTED] Arrangements for the planned luncheon meeting will be made by [REDACTED]

It was decided that at the 30 December meeting the committee will undertake a review of its work to date. Members are requested to be prepared to submit their evaluations of the committee's work and suggestions for the future at that time.

25X1A9a [REDACTED]

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